

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL

IN THE MATTER OF:

AG FILE NO. 2015-0124348-A

**LIQUIDATION, LLC; also doing business as:  
VEHICLE LIQUIDATION, LLC, AUTOLOANS, LLC;  
AUTO LOANS, LLC; CAR LOAN, LLC; SOVEREIGN LENDING  
SOLUTIONS, LLC; SOVEREIGN LENDING, LLC, MANAGEMENT  
SOLUTIONS, LLC; *et al.***

Respondent.  
\_\_\_\_\_ /

**ORDER TO CEASE AND DESIST**  
**And Right to Hearing**

Bill Schuette, Attorney General of the State of Michigan, pursuant to Section 3 of the Michigan Regulation of Collection Practices Act (RCPA), MCL 445.253, hereby Orders Liquidation LLC, also doing business as Vehicle Liquidation, LLC, AutoLoans, LLC, Auto Loans LLC, Car Loan LLC, Sovereign Lending Solutions, LLC, and Management Solutions, LLC (collectively, "Respondent") to **CEASE and DESIST** any collection activities on loans extended by Respondent where the borrower is a Michigan resident, including any action to repossess, take title to or sell a motor vehicle pledged as collateral for such loan. **This order is binding upon the Respondent and its officers, agents, employees, and on those persons in active concert or participation with Respondent or acting under Respondent's direction and control** who receive actual notice of the Order by service or otherwise.

Respondent is entitled to a hearing before the appropriate officer as determined by the attorney general if he or she files a written request within 30 days after the effective date of this order.

In support of this Order, the Attorney General state the following:

**I. RESPONDENT'S LENDING AND COLLECTION PRACTICES**

1. Liquidation, LLC d/b/a Vehicle Liquidation, is an Indiana foreign limited liability corporation organized in the Cook Islands, New Zealand.

2. Liquidation, LLC operates under the aliases AutoLoans, LLC, Car Loan, LLC, Auto Loans, LLC, Sovereign Lending, LLC, Sovereign Lending Solutions, LLC, Management Solutions, LLC, and other names.

3. Respondent holds itself out as a pawnbroker, entitling its loan agreement as a "Pawn Ticket and Agreement" and loan a "pawn transaction." The loan agreement requires that borrowers pledge their motor vehicles as collateral for the loan, placing Respondent as a lien holder on the vehicle title (which is then maintained in Respondent's possession).

4. Respondent's Pawn Ticket and Agreement provides that Respondent may repossess the pawned vehicle upon borrower's default in payment, or even absent default if Respondent "deems itself insecure."

**Respondent Is Not Authorized to Transact Business in Michigan**

5. Respondent conducts business in the State of Michigan without obtaining a certificate of authority to transact business in Michigan, contrary to MCL 450.5002.

6. Respondent is not authorized or licensed to act as a pawnbroker in the state of Michigan, in violation of MCL 446.201.

#### **Unlawful Interest Rates on Respondent's Loans**

7. Respondent issues loans with triple digit interest rates that are, on average, in excess of 225% APR.

8. Respondent is in violation of the Michigan Pawnbrokers Act, which prohibits charging or receiving interest in excess of 3% per month (36% per annum); MCL 446.209(1),(3).

9. Interest rates charged by Respondent are also in violation of the Michigan Criminal Usury Act, MCL 438.41, providing:

A person is guilty of criminal usury when, not being authorized or permitted by law to do so, he knowingly charges or received any money or other property as interest on the loan or forbearance of any money or other property, at a rate exceeding 25% at simple interest per annum or the equivalent rate for a longer or shorter period.

#### **Unlawful Provisions in Respondent's Loan Agreements**

10. Respondent's Pawn Ticket and Agreement fails to include the following language required by section 8 of the Michigan Pawnbroker Act, MCL 446.208:

If interest or charges in excess of 3% per month...are asked or received, this loan is void and of no effect; and the borrower cannot be made to pay back the money loaned, any interest on the loan, or any charges or any part of the charges, and the pawnbroker loses all right to the possession of the goods, article, or thing pawned, and shall surrender the item to the borrower or pawner upon due demand for the item.

11. The loan agreement further provides that Respondent shall not be required to account or remit payment to the consumer for any surplus received by Respondent via repossession and subsequent sale, contrary to MCL 440.9608(1)(d).

## **II. VIOLATIONS OF THE RCPA**

12. Respondent is a "Regulated Person" subject to the RCPA (MCL 445.215(g)) by engaging in collection action pursuant to its loan agreements with Michigan consumers through vehicle repossession (effected in some instances through local repossession agents acting on Respondent's behalf and direction), lien enforcement, and vehicle sale.

13. Respondent's conduct in collecting on unauthorized loans with usurious interest rates violates the RCPA by conduct including but not limited to: "misrepresenting in a communication with a debtor 1 or more of the following: i) the legal status of a legal action being taken or threatened; ii) the legal rights of the creditor or the debtor," MCL 445.252(f)(i),(ii).

## **III. CONSEQUENCES OF RESPONDENT'S VIOLATIONS**

If a regulated person fails to comply with a cease and desist order issued pursuant to the Regulation of Collection Practices Act, the attorney general may commence an action in the circuit court for Ingham County to enjoin violations of the cease and desist order or to seek enforcement of a previously issued order. The court may impose a fine of not more than \$500.00 for each violation of the cease and desist order.

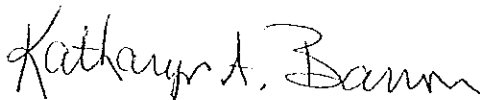
A regulated person engaging in a recurring course of willful conduct in violation of the RCPA shall be fined not more than \$5,000.00 for the first offense, and not more than \$10,000.00, or imprisoned for not more than 1 year, or both, for a second or subsequent offense.

Nothing in this Order shall preclude the Attorney General from commencing additional enforcement action against Respondent, or persons associated therewith.

Respondent is entitled to a hearing before the appropriate officer as determined by the attorney general by filing a written request within 30 days after the date of this Order addressed to the undersigned.

By order of,

BILL SCHUETTE  
Attorney General

A handwritten signature in cursive script, reading "Katharyn A. Barron".

Katharyn A. Barron (P45363)  
Division Chief  
Consumer Protection Division  
525 West Ottawa, 1<sup>st</sup> Floor  
PO Box 30213  
Lansing, MI 48909  
(517) 335-0855

Dated: December 7, 2015

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing Order to Cease and Desist upon the parties below, by first-class mail and email as indicated below:

LIQUIDATION, LLC  
c/o Indiana Registered Agent LLC/Registered Agents, Inc.  
101 W. Ohio St., Suite 2000B  
Indianapolis, IN 46204

Also mailed and emailed to:  
AUTOLOANS, LLC, AUTO LOANS, LLC, CAR LOAN LLC AT:

EMAIL ADDRESSES:  
info@autoloan-llc.com  
customerservice@autoloans-llc.com  
customerservice@carloan-llc.com

MAILING ADDRESSES  
1930 Village Center  
Las Vegas, NV 89134,

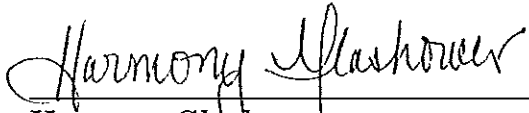
433 Plaza Real  
Boca Raton, FL 33432,

9435 Waterstone Blvd., Suite 140  
Cincinnati, OH 45249,

2501 N. Federal Highway  
Boca Raton, FL 33431, and

National Registered Agents, Inc.  
160 Greentree Drive, Suite 101  
Dover, DE 19904

Dated: December 7, 2015

  
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Harmony Glashower  
Department Analyst  
Michigan Dept of Attorney General  
Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
(517) 335-0855